

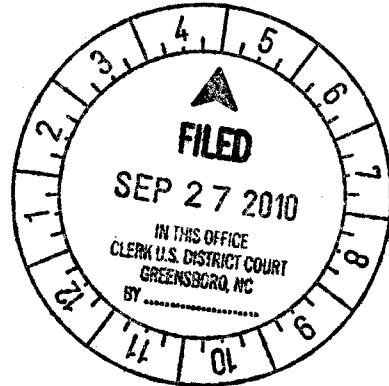
IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA :

v. :

RUBEN D. MCLAIN :  
MICHELLE JUDGE MCLAIN :

1:10CR 341 -1  
1:10CR 341 -2



The Grand Jury charges:

COUNT ONE

THE CONSPIRACY

1. From on or about January 1, 2004, continuing up to and including on or about December 31, 2008, the exact dates to the Grand Jurors unknown, in the County of Forsyth, in the Middle District of North Carolina, and elsewhere, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN did unlawfully, willfully, and knowingly conspire, combine, confederate and agree together, with each other, and with other individuals, both known and unknown to the Grand Jurors, to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and collection of the revenue: to wit, income taxes.

PERSONS AND ENTITIES

2. RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN resided in Winston-Salem, North Carolina, in the Middle District of North Carolina, during tax years 2004 through 2007, and operated several

business entities in the personal care and mental health services fields as described below.

3. Technicare Services, LLC, was registered with the North Carolina Secretary of State on June 17, 2004, by "Denise Simpkins" and an employee of RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN. Simpkins was listed as president in the articles of organization. Denise Simpkins is believed to be a fictitious person. RUBEN D. MCLAIN obtained a federal tax identification number for Technicare. An account in the name of Technicare, LLC, was opened at Wachovia on August 12, 2004, listing RUBEN D. MCLAIN as treasurer and MICHELLE JUDGE MCLAIN as president.

4. Triage Behavioral Health Systems, LLC, was formed on March 8, 2006, by "John Worthington" who is believed to be a fictitious person. An account was opened at Wachovia on June 12, 2006, in the name of Triage Behavioral Health listing and MICHELLE JUDGE MCLAIN as president and RUBEN D. MCLAIN as vice president.

5. Reynolds Home Care, LLC, was formed on January 13, 2005, by RUBEN D. MCLAIN. An account was opened at Wachovia in the name of Reynolds Home Care, LLC, listing MICHELLE JUDGE MCLAIN as president and RUBEN D. MCLAIN as treasurer.

6. Universal Services and Associates, LLC, was formed on December 30, 2004, by RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN. An account was opened at Wachovia in the name of Universal Services, Inc., on April 11, 2005, listing RUBEN D. MCLAIN and

MICHELLE JUDGE MCLAIN as account holders. Another account was opened at Wachovia in the name of Universal Services, Inc., on May 25, 2004, listing RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN as account holders. Another account was opened at Wachovia on May 3, 2005, in the name of Universal Services, Inc., DBA Universal Financial Services, listing RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN as account holders.

7. McLain and Associates, LLC, was formed on September 6, 2005, by RUBEN D. MCLAIN. An account was opened at Wachovia in the name of McLain and Associates listing RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN as account holders.

8. An account in the name of Nursing Home Consultants, LLC, was opened at Wachovia on September 15, 2005, listing RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN as account holders. Nursing Home Consultants, LLC, has no documents on file with the North Carolina Secretary of State.

#### MANNER AND MEANS

The manner and means by which the conspiracy was carried out include the following:

9. Limited Liability Companies were formed by the defendants using nominees and fictitious persons to hide the involvement and control of RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN.

10. Bank accounts were opened at Wachovia in the name of Universal Services, Inc., and Universal Services, Inc., DBA

Universal Financial Services, using false tax identification numbers to hide income and interest of the defendants from the Internal Revenue Service.

11. Funds were transferred amongst various companies controlled by RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN to disguise income.

12. Funds were transferred to McLain and Associates as gross wages for RUBEN D. MCLAIN even though McLain and Associates conducted no apparent business.

13. Funds were transferred to Nursing Home Consultants, LLC, for use by MICHELLE JUDGE MCLAIN even though Nursing Home Consultants, LLC, apparently conducted no business and had no documents on file with the North Carolina Secretary of State.

14. RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN did not have or maintain personal bank accounts.

15. MICHELLE JUDGE MCLAIN instructed an employee not to withhold any taxes from paychecks issued to RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN.

16. RUBEN D. MCLAIN supplied inadequate information to accountants preparing personal tax returns. RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN filed false tax returns.

17. RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN used business bank accounts to purchase personal items for their home.

18. RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN attempted to purchase property using a nominee.

OVERT ACTS

19. On or about May 25, 2004, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN opened an account at Wachovia in the name of Universal Services, Inc., using a false tax identification number.

20. On or about June 17, 2004, an employee of RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN and a fictitious person named "Denise Simpkins" formed Technicare Services, LLC, with the North Carolina Secretary of State. Simpkins was listed as president.

21. On or about August 12, 2004, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN opened a bank account at Wachovia in the name of Technicare, LLC, listing RUBEN D. MCLAIN as treasurer and MICHELLE JUDGE MCLAIN as president. Denise Simpkins was not listed on the account.

22. On or about April 11, 2005, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN opened an account at Wachovia in the name of Universal Services, Inc., using a false federal tax identification number.

23. On or about May 3, 2005, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN opened an account at Wachovia in the name of Universal Services, Inc., DBA Universal Financial Services, using a false federal tax identification number.

24. From on or about November 7, 2005, through December 26, 2006, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN purchased jewelry

from Horizon Jewelry, including a 3.75 carat diamond ring for \$35,975.00, using funds from Nursing Home Consultants, McLain and Associates, Triage Behavioral Health, Technicare Services, LLC, and Universal Services, Inc.

25. From on or about December 22, 2005, until December 28, 2005, \$17,000.00 was transferred from the Reynolds Home Care and Universal Services accounts into the account of McLain and Associates.

26. On or about January 13, 2006, RUBEN D. MCLAIN purchased a Rolex watch for \$19,580.00 from Alan Furman and Company Jewelers using a check drawn on the business account of Universal Services, Inc.

27. From on or about January 20, 2006, through May 9, 2006, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN paid approximately \$15,000.00 for a cruise to Carnival Cruise Lines using funds from the bank accounts of Universal Services, Inc. and Technicare Services, LLC.

28. On or about March 8, 2006, Triage Behavioral Health Systems, LLC, was registered with the North Carolina Secretary of State by "John Worthington," who is believed to be a fictitious person. Worthington was listed as member and manager.

29. On or about June 12, 2006, a bank account was opened at Wachovia in the name of Triage Behavioral Health, listing MICHELLE

JUDGE MCLAIN as president and RUBEN D. MCLAIN as vice president. "John Worthington" was not listed on the account.

30. From on or about July 17, 2006, through April 11, 2007, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN purchased furniture for their residence from American Reproduction in the amount of \$44,117.00 using funds from Universal Services, Inc.

31. From on or about August 1, 2006, to August 31, 2006, \$14,880 was transferred from the accounts of Reynolds Home Care and Universal Services, Inc., into the account of Nursing Home Consultants.

32. From on or about October 10, 2006, through December 19, 2006, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN purchased furniture using funds from Universal Services, Inc., which cost \$16,046.00 from Boyles Furniture which was delivered to their residence.

33. From on or about February 2, 2007, through June 25, 2007, RUBEN D. MCLAIN purchased a used Porsche automobile from Sport Auto for \$22,462.00 using funds from McLain and Associates and Universal Services, Inc.

34. On or about February 9, 2007 and June 1, 2007, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN purchased marble counter-tops costing \$18,033.00 for their home using business accounts of Universal Services, Inc., and Triage Behavioral Health Systems.

35. On or about March 20, 2007, RUBEN D. MCLAIN purchased a television and other electronics for \$10,188.00 from Best Buy which

were delivered to his residence, using funds from Triage Behavioral Systems and McLain and Associates.

36. From on or about June 7, 2007, through November 11, 2007, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN paid their children's private school tuition in the amount of \$26,478.00 using funds from Universal Services, Inc., and Nursing Home Consultants, LLC.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

On or about May 25, 2004, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN knowingly made a false statement to Wachovia, now merged with Wells Fargo and Company, a financial institution whose accounts at that time were insured by the Federal Deposit Insurance Corporation, for the purpose of influencing the action of said bank in opening an account in the name of Universal Services, Inc., in that RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN stated and represented that 20-0870710 was the tax identification number (TIN) for Universal Services, Inc., whereas in truth and in fact, as RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN then well knew, 20-0870710 was not the TIN assigned to Universal Services, Inc., by the Internal Revenue Service; in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT THREE

On or about April 11, 2005, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN knowingly made a false statement to Wachovia, now merged with Wells Fargo and Company, a financial institution whose accounts at that time were insured by the Federal Deposit Insurance Corporation, for the purpose of influencing the action of said bank in opening an account in the name of Universal Services, Inc., in that RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN stated and represented that 20-0870710 was the tax identification number (TIN) for Universal Services, Inc., whereas in truth and in fact, as RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN then well knew, 20-0870710 was not the TIN assigned to Universal Services, Inc., by the Internal Revenue Service; in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT FOUR

On or about May 3, 2005, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN knowingly made a false statement to Wachovia, now merged with Wells Fargo and Company, a financial institution whose accounts at that time were insured by the Federal Deposit Insurance Corporation, for the purpose of influencing the action of said bank in opening an account in the name of Universal Services, Inc., in that RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN stated and

represented that 20-0870710 was the tax identification number (TIN) for Universal Services, Inc., doing business as Universal Financial Services, whereas in truth and in fact, as RUBEN D. MCLAINE and MICHELLE JUDGE MCLAINE then well knew, 20-0870710 was not the TIN assigned to Universal Services, Inc., dba Universal Financial Services by the Internal Revenue Service; in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT FIVE

During the period beginning on or about October 1, 2005, continuing up to and including December 31, 2005, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAINE and MICHELLE JUDGE MCLAINE, residents of Winston-Salem, North Carolina, conducted a business, as treasurer and president, under the name of Reynolds Home Care, LLC, with its principal place of business in Winston-Salem, North Carolina, and deducted and collected from the total taxable wages of their employees federal income taxes and Federal Insurance Contributions Act taxes in the sum of \$65,074.96 and did willfully fail to truthfully account for and pay over to the Internal Revenue Service the federal income taxes and Federal Insurance Contributions Act taxes withheld and due and owing to the United States of America for the fourth quarter ending December 31, 2005; in violation of Title 26, United States Code, Section 7202.

COUNT SIX

On or about October 10, 2005, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN did knowingly and willfully execute and attempt to execute a scheme and artifice to obtain, by means of materially false and fraudulent pretenses and representations, money and property owned by an under the custody and control of a health care benefit program affecting commerce, that is, Medicaid, in connection with the delivery of and payment for health care benefits, items, and services by submitting a claim using billing code S5125 in the approximate amount of \$43.20 for allegedly providing personal care attendant services on October 10, 2005, for patient D.A. when, in fact, patient D.A. died on October 9, 2005; in violation of Title 18, United States Code, Sections 1347(2) and 2.

COUNT SEVEN

On or about October 13, 2005, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN did knowingly and willfully execute and attempt to execute a scheme and artifice to obtain, by means of materially false and fraudulent pretenses and representations, money and property owned by an under the custody and control of a health care benefit program affecting commerce, that is, Medicaid, in connection with the delivery of and payment for health care

benefits, items, and services by submitting a claim using billing code S5125 in the approximate amount of \$43.20 for allegedly providing personal care attendant services on October 13, 2005, for patient D.A. when, in fact, patient D.A. died on October 9, 2005; in violation of Title 18, United States Code, Sections 1347(2) and 2.

COUNT EIGHT

On or about November 15, 2005, in the County of Forsyth, in the Middle District of North Carolina, MICHELLE JUDGE MCLAINE, a registered nurse, in a matter involving a health care benefit program affecting commerce, namely Medicaid, did knowingly and willfully in connection with the delivery of and payment for health care benefits and services, make, use and cause to be used a materially false writing and document knowing the same to contain a materially false, fictitious, and fraudulent entry, to wit, MICHELLE JUDGE MCLAINE, signed a supervisory visit form indicating that MICHELLE JUDGE MCLAINE, had visited patient D.A. in her home on November 15, 2005, when in truth and in fact, patient D.A. died on October 9, 2005; in violation of Title 18, United States Code, Sections 1035 and 2.

COUNT NINE

During the period beginning on or about January 1, 2006, up to and including March 31, 2006, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAINE and MICHELLE

JUDGE MCLAIN, residents of Winston-Salem, North Carolina, conducted a business, as treasurer and president, under the name of Reynolds Home Care, LLC, with its principal place of business in Winston-Salem, North Carolina, and deducted and collected from the total taxable wages of their employees federal income taxes and Federal Insurance Contributions Act taxes in the sum of \$80,721.22 and did willfully fail to truthfully account for and pay over to the Internal Revenue Service the federal income taxes and Federal Insurance Contributions Act taxes withheld and due and owing to the United States of America for the first quarter ending March 31, 2006; in violation of Title 26, United States Code, Section 7202.

COUNT TEN

On or about January 3, 2006, in the County of Forsyth, in the Middle District of North Carolina, MICHELLE JUDGE MCLAIN, a registered nurse, in a matter involving a health care benefit program affecting commerce, namely Medicaid, did knowingly and willfully in connection with the delivery of and payment for health care benefits and services, make, use and cause to be used a materially false writing and document knowing the same to contain a materially false, fictitious, and fraudulent entry, to wit, MICHELLE JUDGE MCLAIN, RN, signed a supervisory visit form indicating that MICHELLE JUDGE MCLAIN, a registered nurse, had visited patient C.W. in her home on January 3, 2006, when in truth and in fact, MICHELLE JUDGE MCLAIN left the country on December 27,

2005, and did not return until January 5, 2006, as she then well knew; in violation of Title 18, United States Code, Sections 1035 and 2.

COUNT ELEVEN

During the period beginning on or about April 1, 2006, up to and including June 30, 2006, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, residents of Winston-Salem, North Carolina, conducted a business, as treasurer and president, under the name of Reynolds Home Care, LLC, with its principal place of business in Winston-Salem, North Carolina, and deducted and collected from the total taxable wages of their employees federal income taxes and Federal Insurance Contributions Act taxes in the sum of \$78,855.91 and did willfully fail to truthfully account for and pay over to the Internal Revenue Service the federal income taxes and Federal Insurance Contributions Act taxes withheld and due and owing to the United States of America for the second quarter ending June 30, 2006; in violation of Title 26, United States Code, Section 7202.

COUNT TWELVE

1. At all times material:

A. MICHELLE JUDGE MCLAIN was a registered nurse licensed in the State of North Carolina.

B. Reynolds Home Care, LLC, was formed on January 13, 2005, by Ruben D. McLain. A bank account was opened on July 15,

2004, at Wachovia listing Ruben D. McLain as treasurer an Michelle Judge McLain as president.

C. Universal Services and Associates, LLC, was formed on December 30, 2004, by Michelle Judge McLain and Ruben D. McLain.

D. Technicare Services, LLC, was formed on June 17, 2004, by an employee of RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN and "Denise Simpkins" who is believed to be a non-existent person. On April 26, 2006, the name was changed to Triage Behavioral Health Services.

E. Triage Behavioral Health Systems, LLC, was formed with the North Carolina Secretary of State on March 8, 2006, by "John Worthington" who is believed to be a fictitious person. A bank account in the name of Triage Behavioral Health System was established on June 12, 2006, at Wachovia by RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN.

#### MEDICAID PROGRAM

F. The Medicaid Program was enacted by Congress on July 30, 1965, under Title XIX of the Social Security Act. The Medicaid Act, Title 42, United States Code, Section 1396 et. seq., established the Medicaid program which provided medical insurance for individuals whose incomes were insufficient to meet the costs of necessary medical expenses, including children and disabled individuals. The Medicaid program covered, among other things, the

cost of outpatient doctor visits, lab tests, other diagnostic tests, mental health services and personal care services.

G. The Medicaid program in the State of North Carolina was administered by the Division of Medical Assistance (DMA) of the North Carolina Department of Health and Human Services. A substantial portion of the DMA budget was funded by the United States Department of Health and Human Services.

H. Providers furnishing medical services to Medicaid patients must file claims electronically or by means of paper claims.

I. Once the Medicaid program has reviewed and adjudicated the claim, payment is made by check mailed to the provider's address. In the alternative, some providers are paid electronically by wiring funds to the provider's designated bank account.

J. The Medicaid program will pay for personal care services for qualified individuals which includes assistance with dressing, bathing, eating and household chores.

K. Companies operated by RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, such as Reynolds Home Care, LLC and Universal Services, provided personal care which was billed to and paid by the Medicaid program.

L. The Medicaid program will pay for mental health services and counseling for qualified beneficiaries. Technicare

Services, LLC, and Triage Behavioral Health Systems provided mental health services which were billed to and paid for by the Medicaid program.

M. Any group or company submitting claims to the Medicaid program must be approved as providers by the North Carolina Division of Medical Assistance. Companies submitting claims for mental health services must also be approved as a provider by local management entities (LME) which assist DMA in conducting such programs.

N. Centerpoint Human Services of Winston-Salem, North Carolina, was the LME assisting DMA in supervising and regulating such entities as Technicare Services, LLC, and Triage Behavioral Systems.

2. From on or about January 1, 2004, until on or about December 31, 2009, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN did knowingly and willfully execute and attempt to execute a scheme and artifice to obtain by means of materially false and fraudulent pretenses and representations, money and property owned by and under the custody and control of health care benefit program affecting commerce, Medicaid, in connection with the delivery and payment for health care benefits, items and services.

OBJECT OF THE SCHEME

3. It was the object of the scheme for RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN to knowingly submit false provider applications to the Medicaid program to hide their involvement in companies submitting claims to Medicaid and to make false entries in patient's charts to conceal failure to provide services billed to Medicaid.

MANNER AND MEANS

1. It was a part of the scheme to obtain money by means of false and fraudulent representations that RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN submitted and caused to be submitted provider applications to the Medicaid program containing false statements designed to hide the involvement of RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN with the requesting companies.

2. It was further a part of the scheme to obtain money by means of false and fraudulent representations that RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN would submit and cause to be submitted claims for services not rendered.

3. It was further a part of the scheme to obtain money by means of false and fraudulent representations that RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN would make false entries, and cause to be made false entries, in patient records to conceal their failure to perform services.

4. It was further a part of the scheme to obtain money by means of false and fraudulent representations that funds from the Medicaid program were deposited into an account at Wachovia which was opened with a false tax identification number by RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN.

EXECUTION

On or about April 6, 2006, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN did knowingly and willfully execute and attempt to execute a scheme and artifice to obtain, by means of materially false and fraudulent pretenses and representations money and property owned by and under the custody and control of a health care benefit program affecting commerce, that is, Medicaid, in connection with the delivery of and payment for health care benefits, items, and services by submitting or causing to be submitted a Community Intervention Services Enrollment Application on behalf of Technicare Services, DBA Triage Behavioral Health Systems, LLC, to the North Carolina Division of Medical Assistance containing a false name and social security number of the alleged majority owner of Technicare Services, DBA Triage Behavioral Health Systems, LLC; in violation of Title 18, United States Code, Sections 1347(2) and 2.

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COUNT THIRTEEN

During the calender year 2005, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN had received taxable income in the sum of \$456,469.00, that upon said taxable income there was owing to the United States an income tax of \$165,767.00, that well knowing and believing the foregoing fact, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, on or about April 15, 2006, in the Middle District of North Carolina, did willfully attempt to evade and defeat said income tax due and owing by them to the United States for said calender year 2005, by failing to make and file an income tax return on or before April 15, 2006, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by using limited liability corporations to hide and disguise income, using nominees to hide ownership in various entities, establishing bank accounts with false tax identification numbers, and converting company funds to their personal use; all in violation of Title 26, United States Code, Section 7201.

COUNT FOURTEEN

During the period beginning on or about July 1, 2006, up to and including September 30, 2006, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, residents of Winston-Salem, North Carolina, conducted a business, as treasurer and president, under the name of Reynolds

Home Care, LLC, with its principal place of business in Winston-Salem, North Carolina, and deducted and collected from the total taxable wages of their employees federal income taxes and Federal Insurance Contributions Act taxes in the sum of \$79,275.75 and did willfully fail to truthfully account for and pay over to the Internal Revenue Service the federal income taxes and Federal Insurance Contributions Act taxes withheld and due and owing to the United States of America for the third quarter ending September 30, 2006; in violation of Title 26, United States Code, Section 7202.

COUNT FIFTEEN

On or about July 27, 2006, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN did knowingly and willfully execute and attempt to execute a scheme and artifice to obtain, by means of materially false and fraudulent pretenses and representations, money and property owned by an under the custody and control of a health care benefit program affecting commerce, that is, Medicaid, in connection with the delivery of and payment for health care benefits, items, and services by submitting or causing to be submitted an Application for Provider Participation for Technicare Services, LLC, to the North Carolina Division of Medical Assistance through its local management entity, Centerpoint Human Services, containing the false name and social security number of an alleged

majority owner of Technicare Services, LLC; in violation of Title 18, United States Code, Sections 1347(2) and 2.

COUNT SIXTEEN

During the calender year 2004, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN had received taxable income in the sum of \$86,847.00, that upon said taxable income there was owing to the United States an income tax of \$29,809.00, that well knowing and believing the foregoing fact, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, on or about April 15, 2005, in the Middle District of North Carolina, did willfully attempt to evade and defeat said income tax due and owing by them to the United States for said calender year 2004, by failing to make and file an income tax return on or before April 15, 2005, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, by filing a false and fraudulent joint United States Individual Tax Return, Form 1040 on January 29, 2007, stating their joint taxable income was \$3,576.00, and by using limited liability corporations to hide and disguise income, using nominees to hide ownership in various entities, providing tax preparers with inadequate and incomplete information, establishing bank accounts with false tax identification numbers, and converting company funds to their personal use; all in violation of Title 26, United States Code, Section 7201.

COUNT SEVENTEEN

On or about March 21, 2007, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN knowingly engaged and attempted to engage in a monetary transaction by, through, and to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, derived from specified unlawful activity, namely health care fraud, in violation of Title 18, United States Code, Section 1347(2), by issuing a Visa debit card transfer drawn on the business account XXX5874 of Triage Behavioral Health to Best Buy store 158 in Winston-Salem, North Carolina, in the amount of \$10,188.08, in order to purchase electronic items, including a big screen television delivered to the defendant's residence, such property having been derived from a specified unlawful activity, that is, health care fraud, in violation of Title 18, United States Code, Section 1347(2); all in violation of Title 18, United States Code, Sections 1957(a) and 2.

COUNT EIGHTEEN

On or about March 22, 2007, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, knowingly engaged and attempted to engage in a monetary transaction by, through and to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, derived from specified unlawful

activity, namely health care fraud, in violation of Title 18, United States Code, Section 1347(2), by withdrawing funds in the amount of \$300,000 from Wachovia account XX5874 in the name of Triage Behavioral Health, such property having been derived from a specified unlawful activity, that is, health care fraud, in violation of Title 18, United States Code, Section 1347(2); all in violation of Title 18, United States Code, Sections 1957(a) and 2.

COUNT NINETEEN

On or about March 22, 2007, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, knowingly engaged and attempted to engage in a monetary transaction by, through and to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, derived from specified unlawful activity, namely health care fraud, in violation of Title 18, United States Code, Section 1347(2), by depositing funds in the amount of \$300,000 into Wachovia account XX3452 in the name of Universal Services, Inc., such property having been derived from a specified unlawful activity, that is, health care fraud, in violation of Title 18, United States Code, Section 1347(2); all in violation of Title 18, United States Code, Sections 1957(a) and 2.

COUNT TWENTY

On or about April 11, 2007, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE

JUDGE MCLAIN, knowingly engaged and attempted to engage in a monetary transaction by, through and to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, derived from specified unlawful activity, namely health care fraud, in violation of Title 18, United States Code, Section 1347(2), by transferring funds in the amount of \$150,000 by means of debit card from Wachovia account XX5874 in the name of Triage Behavioral Health to Wachovia account XXX3452 in the name of Universal Services, Inc., such property having been derived from a specified unlawful activity, that is, health care fraud, in violation of Title 18, United States Code, Section 1347(2); all in violation of Title 18, United States Code, Sections 1957(a) and 2.

COUNT TWENTY-ONE

During the calender year 2006, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN had received taxable income in the sum of \$1,460,732.00, that upon said taxable income there was owing to the United States an income tax of \$542,403.00, that well knowing and believing the foregoing fact, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, on or about April 15, 2007, in the Middle District of North Carolina, did willfully attempt to evade and defeat said income tax due and owing by them to the United States for said calender year 2006, by failing to make an income tax return on or before April 15, 2007, as required by law, to any proper officer of the Internal

Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by using limited liability corporations to hide and disguise income, using nominees to hide ownership in various entities, establishing bank accounts with false tax identification numbers, and converting company funds to their personal use; all in violation of Title 26, United States Code, Section 7201.

COUNT TWENTY-TWO

During the period beginning on or about July 1, 2007, up to and including September 30, 2007, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, residents of Winston-Salem, North Carolina, conducted a business, as treasurer and president, under the name of Reynolds Home Care, LLC, with its principal place of business in Winston-Salem, North Carolina, and deducted and collected from the total taxable wages of their employees federal income taxes and Federal Insurance Contributions Act taxes in the sum of \$35,306.69 and did willfully fail to truthfully account for and pay over to the Internal Revenue Service the federal income taxes and Federal Insurance Contributions Act taxes withheld and due and owing to the United States of America for the third quarter ending September 30, 2007; in violation of Title 26, United States Code, Section 7202.

COUNT TWENTY-THREE

During the period beginning on or about October 1, 2007, up to and including December 31, 2007, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, residents of Winston-Salem, North Carolina, conducted a business, as treasurer and president, under the name of Reynolds Home Care, LLC, with its principal place of business in Winston-Salem, North Carolina, and deducted and collected from the total taxable wages of their employees federal income taxes and Federal Insurance Contributions Act taxes in the sum of \$40,004.37 and did willfully fail to truthfully account for and pay over to the Internal Revenue Service the federal income taxes and Federal Insurance Contributions Act taxes withheld and due and owing to the United States of America for the fourth quarter ending December 31, 2007; in violation of Title 26, United States Code, Section 7202.

COUNT TWENTY-FOUR

During the period beginning on or about January 1, 2008, up to and including March 31, 2008, in the County of Forsyth, in the Middle District of North Carolina, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, residents of Winston-Salem, North Carolina, conducted a business, as treasurer and president, under the name of Reynolds Home Care, LLC, with its principal place of business in Winston-Salem, North Carolina, and deducted and collected from the total taxable wages of their employees federal income taxes and Federal

Insurance Contributions Act taxes in the sum of \$36,811.43 and did willfully fail to truthfully account for and pay over to the Internal Revenue Service the federal income taxes and Federal Insurance Contributions Act taxes withheld and due and owing to the United States of America for the first quarter ending March 31, 2008; in violation of Title 26, United States Code, Section 7202.

COUNT TWENTY-FIVE

During the calender year 2007, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN had received taxable income in the sum of \$457,804.00, that upon said taxable income there was owing to the United States an income tax of \$149,925.00, that well knowing and believing the foregoing fact, RUBEN D. MCLAIN and MICHELLE JUDGE MCLAIN, on or about April 15, 2008, in the Middle District of North Carolina, did willfully attempt to evade and defeat said income tax due and owing by them to the United States for said calender year 2007, by filing two false and fraudulent United States Individual Income Tax Returns, Form 1040, on or about April 15, 2008, claiming taxable income of minus \$37,722.00 and minus \$72,529.00, by failing to pay to the Internal Revenue Service said income tax, and by using limited liability corporations to hide and disguise income, using nominees to hide ownership in various entities, providing tax preparers with inadequate and incomplete information, establishing bank accounts with false tax identification numbers, and converting

company funds to their personal use; all in violation of Title 26,  
United States Code, Section 7201.

A TRUE BILL:

R. M. Hamilton  
ROBERT M. HAMILTON  
ASSISTANT UNITED STATES ATTORNEY

John W. Stone, Jr.  
JOHN W. STONE, JR.  
ACTING UNITED STATES ATTORNEY